

**SUMMARY OF YEAR-END REPORT <sup>1</sup>****Full year (Jan. 1, 2020 – Dec. 31, 2020)**

- Net sales totaled SEK 0 (0) thousand.
- Loss after financial items was SEK 7,468 (loss: 2,857) thousand.
- Earnings per share totaled SEK -0.04 (-0.03).
- The equity ratio<sup>2</sup> as of Dec. 31, 2020 was 94.71%.

**Fourth quarter (Oct. 1, 2020– Dec. 31, 2020)**

- Net sales totaled SEK 0 (0) thousand.
- Loss after financial items was SEK 1,885 (loss: 861) thousand.
- Earnings per share<sup>3</sup> totaled SEK -0.01 (-0.01).

<sup>1</sup> Unless otherwise stated in this year-end report, all figures refer to the Group. Figures in parentheses refer to outcomes for the corresponding period the previous year.

<sup>2</sup> Equity ratio: Shareholders' equity divided by total capital.

<sup>3</sup> Earnings per share: Profit/loss for the period divided by 188,606,369 shares as of Dec. 31, 2020

**SIGNIFICANT EVENTS IN 2020**

- At the turn of the half year, the Company raised capital through a preferential rights issue of shares, two (2) newly issued shares and one (1) warrant series 2020/2021, which was subscribed with about 87.1 percent with subscription rights and the remainder, corresponding to about 126.7 percent, without subscription rights. The Company thereby raised about SEK 25.1 million before issue expenses.

Each warrant of series 2020/2021 entitles the holder to subscribe for one new share in the Company during the period June 21, 2021 through July 5, 2021 at a subscription price corresponding to 75 percent of the volume-weighted average price for the share during the period from June 7, 2021 through June 18, 2021, though no less than SEK

1.20 and no more than SEK 1.60 per share. If all warrants of series 2020/2021 are exercised to subscribe for shares, the Company can thereby raise an additional capital injection of about SEK 19-25 million before issue costs, which are estimated at about SEK 0.9-1.3 million.

- In November Carl-Magnus Andersson was hired to serve as CMC Director of the Company. Carl-Magnus has extensive and successful experience in drug development with executive positions at a number of pharmaceutical and biotech companies, including AstraDraco, Acadia Pharmaceuticals, and KaroBio, where his responsibilities included chemistry and pharmacy, as well as intellectual property strategies.
- In December, Mia Sandberg Lundblad was hired to serve as Clinical Director. Mia has extensive and successful experience in executive positions at pharmaceutical companies such as Novo Nordisk and Ferring, where her responsibilities included taking drug candidates from the preclinical phase to early clinical development, including experience of interaction with regulatory authorities.

#### SIGNIFICANT EVENTS FOLLOWING THE END OF THE PERIOD

- No events to report

# Comments by the CEO

In 2020 Respiratorius continued to take important steps in the development of VAL001, an extremely promising drug candidate for a type of lymph node cancer, and RESP9000, a new candidate in areas such as respiratory diseases, including COPD and severe asthma. In 2020 the Company began to build a broader organization to manage the Company's two most important projects.

The process of preparing VAL001 for a Phase III study continued in parallel with the initiated exit process, which is being carried out together with Partner International Inc., with the goal of completing an agreement for VAL001. The timing of the exit of VAL001 is not critical, but rather is guided by receiving maximum payment in a license or sale deal, since the value of the project is continually being enhanced without delaying the timeline.

In commercial terms, the formulation is important to differentiate the Company's product from generics and to position the pricing of VAL001 so that it corresponds to the identified health economic value. We have high hopes that the new formulation has this important attribute.

Within the project for new medications for effective treatment of COPD and severe asthma, RESP9000 and the drug candidate RES030-085, we had an advisory meeting with the Swedish Medical Products Agency during the year. The encouraging meeting helped to clarify the continued planning in order to initiate clinical trials as soon as possible. We are now developing production and formulation for GLP studies of RES030-085, while also planning supplemental studies for the preclinical data package required prior to approval for the Phase I trial.

Overall, 2020 entailed continued value growth in our projects and we confidently look forward to continued growth in 2021. The new and strengthened organization is well equipped to provide continued success.



Johan Drott  
CEO, Respiratorius AB (publ)

# Respiratorius

## Operations

Respiratorius AB (publ) develops drug candidates with the goal of launching drugs to treat lymphoma, chronic obstructive pulmonary disease (COPD) and severe asthma.

The Company's cancer project, VAL001, is based on a combination and reformulation of existing drugs for a new indication, diffuse large B-cell lymphoma (DLBCL). The phase I/IIa clinical study of VAL001 for treatment of patients with DLBCL is complete with favorable results showing significantly increased survival (1-year and 2-year survival) among patients treated with VAL001 prior to treatment with R-CHOP, compared with patients treated with R-CHOP alone.

Respiratorius' work relating to the future treatment of pulmonary diseases and the diagnosis of cardiovascular diseases is based on new proprietary and patent-protected compound series. The Board of Directors believes that these compound series have the potential to be developed into medicinal products and biomarkers. The compounds, which use novel mechanisms, are tested in the Company's proprietary and patent-protected measuring and test equipment where we have been able to ensure efficacy on human lung tissue.

The project portfolio also includes a project for improving the diagnosis of certain cardiovascular diseases using PET imaging. The latter project is located outside Respiratorius' main focus, for which reason other strategic options are continually being considered for this project.

## Group structure

Respiratorius is the parent company of a Group that includes, in addition to the parent company, the wholly owned subsidiaries Bergdalsten Kemi AB and Valcuria AB. Bergdalsten Kemi AB is a dormant company. Valcuria AB holds the patent rights for Respiratorius' VAL001 cancer project. All operations occur within the parent company, Respiratorius; the parent has no other shareholdings.

## Respiratorius' drug development

Respiratorius focuses its internal development resources on cancer, primarily the development of drugs for the treatment of malignant lymphoma, as well as new drugs for effective treatment of COPD and severe asthma. The project portfolio also includes a project for improving the diagnosis of certain cardiovascular diseases.

Below is a brief overview of Respiratorius' primary projects:

### VAL001 – Drug candidate for the treatment of diffuse large B-cell lymphoma

VAL001 is a drug candidate that has shown clearly promising experimental and clinical data against diseases such as diffuse large B-cell lymphoma, the most common type of non-Hodgkin's lymphoma. The Company has successfully completed a phase I/IIa study that was conducted at Skåne University Hospital in Lund, Uppsala University Hospital, and Norrland University Hospital in Umeå.

Results from the phase I/IIa study show significantly increased survival (1-year and 2-year survival) among patients treated with VAL001 prior to treatment with R-CHOP, compared

with patients treated with R-CHOP alone. Comparative data were taken from the Swedish Lymphoma Registry with a matched reference population of patients who were treated between 2010 and 2015. The results from the phase I/IIa study also demonstrate specific effects through increased levels of CD20, which may likely be beneficial in patients treated with Rituximab.

At a scientific advisory meeting with the EMA's Scientific Advice Working Party (SAWP) regarding clinical strategy, VAL001 was assessed as meeting the criteria to directly begin a phase III study. About 700 patients should be satisfactory for such a study to be able to serve as a basis for marketing approval.

VAL001 for the treatment of DLBCL received orphan drug designation in Europe and the US, and patents were granted in the EU, the US, Japan, Canada and Korea. There is also a patent application for protection of a dedicated formulation.

#### RESP1000/9000 – Drug for the treatment of COPD and asthma

RESP1000 is a compound series of drug candidates with bronchodilatory and anti-inflammatory properties under development to enable treatment of both COPD and asthma. The project is in preclinical phase and in 2014 a license and collaboration agreement was signed with Cadila Pharmaceuticals Ltd. for preclinical and clinical development of selected drug candidates from the RESP1000 series.

During the third quarter of 2018 a new patent application was submitted for a compound series, RESP9000, that has been assessed as having a favorable safety profile and equivalent anti-inflammatory and bronchodilatory properties as RES022-125, which is Respiratorius' drug candidate that has come the farthest in the RES1000 series.

Patents for RESP1000 have been granted in several countries and an application for RESP9000 has been submitted and received a positive review in Europe.

#### RESP2000 – Drug candidate for the treatment of COPD and asthma

RESP2000 is a series of new chemical substances, completely different from RESP1000, that have bronchodilatory properties and the potential to be developed into drugs for treatment of COPD and severe asthma. The RESP2000 compound series contains substances that affect the mitochondria (in simple terms, the cellular energy sources). In addition, certain exploratory studies will be conducted for other indications. This project is currently in early preclinical phase.

Patents for RESP2000 have been granted in several countries.

#### RESP3000 – for diagnosis of conditions such as cardiovascular diseases

RESP3000 is a project aimed at diagnosing conditions such as cardiovascular diseases using PET imaging. The patent-protected RESP3000 compound series represents a further development of the RESP2000 compound series. Respiratorius has completed a study of RES3105, the selected candidate from the compound series, with promising results.

Patents have been granted in several countries.

#### Other research and development

Using the patent-protected substances that Respiratorius has developed as a point of departure, the Company is testing new indications. The Board of Directors believes that RESP2000 has a well-defined mode of action that can be traced to cellular mitochondria, for which reason the Board also envisions broad potential for uses in areas far removed from the original indications of COPD and asthma.

Respiratorius constantly evaluates projects relating to additional drug candidates that are a good strategic fit for the Company. Projects in early development phase are given priority.

Respiratorius has a patented technology platform (R-HSAT) for the study of smooth muscle in various tissues of both animals and humans. The technology platform can be used for research purposes, as well as for screening and optimization of drug candidates. Respiratorius intends to out-license the right to use this technology.

### Business model

Respiratorius looks for strategic partners who assume the financial and operational responsibility for developing the final product. Such partners have financial resources, experience in large clinical studies and established contacts with regulatory authorities. These partners will also be responsible in the future for manufacturing, marketing and sales of the licensed drugs that may result from the development project. Several large pharmaceutical companies have already shown interest regarding licensing and collaboration on the Company's projects.

A license agreement with a pharmaceutical company is expected to give Respiratorius income in the form of an initial payment followed by milestone payments, as well as royalties. In the event that a license agreement is achieved, there is an intention among the major shareholders to distribute approximately half of the advance payment in connection with a license agreement pro rata to all shareholders, provided that the business remains intact.

The timing of signing collaboration agreements with pharmaceutical companies will entail business decisions based on cost, risk, skill requirements and the value that would be added by completing additional steps in-house. Such collaboration agreements will ensure that the projects receive expertise and resources from an external pharmaceutical company at an early stage, while Respiratorius avoids tying up excessive resources in a single project. It is in the best interest of the Company to work – without compromising safety – to minimize time-to-market for its drugs.

### Annual Report and Annual General Meeting

Respiratorius' annual report for the 2020 financial year will be published on the Company's website ([www.respiratorius.com](http://www.respiratorius.com)) and the Spotlight website ([www.spotlightstockmarket.se](http://www.spotlightstockmarket.se)) no later than three weeks prior to the Annual General Meeting.

The 2021 AGM will be held on May 27 in Lund. The time and location of the AGM will be published in conjunction with the invitation to the AGM.

### Nomination Committee

In accordance with the decision taken at the 2019 Annual General Meeting, the Nomination Committee was appointed and announced prior to the AGM. The Nomination Committee consists of: Emanuel Eriksson, Fårö Capital AB, Johan Drott, Chairman of the Nomination Committee, Valcuria Holding AB and Hans Harvig.

### Proposed appropriation of profit or loss

The Board of Directors proposes that no dividend be paid for the 2020 financial year.

### The share

The Respiratorius share (nickname: RESP) was listed in 2012 on AktieTorget, now known as Spotlight Stock Market, a securities firm that is under the supervision of Finansinspektionen (the Swedish Financial Supervisory Authority) and operates a Multilateral Trading Facility (MTF) trading platform.

On December 31, 2020, the number of shares in Respiratorius AB was 188,606,369. There is one class of shares, where each share carries equal rights to the Company's assets and earnings, and entitles the holder to one vote at the Annual General Meeting.

## Holdings of insiders

Natural/Legal entity	Position at Respiratorius	Shares as of Dec. 31, 2019
Christer Fähræus, Fårö Capital AB	Chairman of the Board	22,200,490
Kristina Drott, Valcuria Holding AB <sup>4</sup>	Board member	10,915,462
Sarah Fredriksson	Board member	0
Ingemar Kihlström, Ingemar Kihlström AB	Board member	801,167
Olov Sterner	Board member	402,178
Anna Törner	Board member	0
Johan Drott, Valcuria Holding AB <sup>4</sup>	CEO	11,115,462

## Principles for preparation of the year-end report

This year-end report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines. In the event that there are no general guidelines, guidance is sought where applicable from the recommendations of the Swedish Financial Accounting Standards Council. The same accounting policies and methods were used in the interim report as in the Company's most recent annual report. Respiratorius only capitalizes development costs for projects that have entered clinical phase as well as for patent costs.

## Audit

The year-end report has not been reviewed by the Company's auditor.

## Calendar 2021

- Q1 Interim Report May 27
- Annual General Meeting 2021 May 27
- Q2 Interim Report August 6
- Q3 Interim Report November 10
- Year-end report 2021 January 15, 2022

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## Submission of 2020 Year-end Report

The Board of Directors and the Chief Executive Officer hereby certify that this year-end report for the period January – December 2020 provides a true and fair overview of operations at Respiratorius AB.

Lund, February 3, 2021

Respiratorius AB (publ)

Board of Directors and Chief Executive Officer

<sup>4</sup> Valcuria Holding AB is owned by Kristina Drott (9.6%), Johan Drott (49.8%) and two external individuals (one natural person and one legal entity). In addition to the holding through Valcuria Holding AB, Johan Drott owns 200,000 shares in Respiratorius through Drott Development AB.





## Condensed consolidated income statement

(SEK 000s)	Oct. 1, 2020	Oct. 1, 2019	Jan. 1, 2020	Jan. 1, 2019
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Q4	Q4	Cf 12 months	Cf 12 months
Net sales	0	0	0	0
Other operating income	0	0	0	0
<b>Gross profit/loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Research and development costs	-1,425	-1,802	-4,417	-4,286
Administrative costs	-1,569	-1,006	-5,085	-5,036
Other expenses	0	0	0	0
Capitalized patent and development costs	1,742	2,198	4,959	6,181
<b>Operating profit/loss before depreciation, amortization and impairment</b>	<b>-1,252</b>	<b>-610</b>	<b>-4,543</b>	<b>-3,141</b>
Depreciation/Amortization	-633	-251	-2,531	-1,913
<b>Operating profit/loss after depreciation, amortization and impairment</b>	<b>-1,885</b>	<b>-861</b>	<b>-7,075</b>	<b>-5,054</b>
Profit/loss from financial investments	0	0	-394	0
<b>Profit/loss after financial items</b>	<b>-1,885</b>	<b>-861</b>	<b>-7,468</b>	<b>-5,054</b>
Taxes	0	0	0	0
<b>Profit/loss for the year</b>	<b>-1,885</b>	<b>-861</b>	<b>-7,468</b>	<b>-5,054</b>

## Condensed income statement – Parent Company

(SEK 000s)	Oct. 1, 2020	Oct. 1, 2019	Jan. 1, 2020	Jan. 1, 2019
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Q4	Q4	Cf 12 months	Cf 12 months
Net sales	0	0	0	0
Other operating income	0	0	0	0
<b>Gross profit/loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Research and development costs	-1,223	-1,614	-2,873	-3,101
Administrative costs	-1,428	-968	-4,295	-3,560
Other expenses	0	0	0	0
Capitalized patent and development costs	1,444	2,022	2,904	3,720
<b>Operating profit/loss before depreciation, amortization and impairment</b>	<b>-1,207</b>	<b>-560</b>	<b>-4,264</b>	<b>-2,941</b>
Depreciation/Amortization	-275	45	-1,101	-729
<b>Operating profit/loss after depreciation, amortization and impairment</b>	<b>-1,482</b>	<b>-515</b>	<b>-5,365</b>	<b>-3,670</b>
Profit/loss from financial investments	-1,250	-930	-2,094	-1,380
<b>Profit/loss after financial items</b>	<b>-2,732</b>	<b>-1,445</b>	<b>-7,459</b>	<b>-5,050</b>
Taxes	0	0	0	0
<b>Profit/loss for the year</b>	<b>-2,732</b>	<b>-1,445</b>	<b>-7,459</b>	<b>-5,050</b>

## Condensed Consolidated Balance Sheet

(SEK 000s)	Dec. 31, 2020	Dec. 31, 2019	2018-12-31
<b>ASSETS</b>			
Intangible assets	18,124	15,697	11,429
Property, plant and equipment	0	0	0
Financial assets	0	0	0
<b>Total non-current assets</b>	<b>18,124</b>	<b>15,697</b>	<b>11,429</b>
<b>Total current assets</b>	<b>12,789</b>	<b>1,916</b>	<b>10,714</b>
<b>Total assets</b>	<b>30,914</b>	<b>17,613</b>	<b>22,144</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Total equity</b>	<b>29,278</b>	<b>15,866</b>	<b>20,920</b>
Non-current liabilities	0	0	0
Current liabilities	1,635	1,747	1,223
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,914</b>	<b>17,613</b>	<b>22,144</b>

## Condensed balance sheet – Parent Company

(SEK 000s)	Dec. 31, 2020	Dec. 31, 2019	2018-12-31
<b>ASSETS</b>			
Intangible assets	9,771	7,969	4,978
Property, plant and equipment	0	0	0
Financial assets	8,952	8,152	6,832
<b>Total non-current assets</b>	<b>18,723</b>	<b>16,121</b>	<b>11,810</b>
<b>Total current assets</b>	<b>12,258</b>	<b>1,650</b>	<b>10,334</b>
<b>Total assets</b>	<b>30,982</b>	<b>17,771</b>	<b>22,144</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Total equity</b>	<b>29,466</b>	<b>16,045</b>	<b>21,095</b>
Non-current liabilities	70	76	81
Current liabilities	1,445	1,650	967
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,982</b>	<b>17,771</b>	<b>22,144</b>

## Summary Consolidated Statement of Cash Flows

(SEK 000s)	Oct. 1, 2020 Dec. 31, 2020 Q4	Oct. 1, 2019 Dec. 31, 2019 Q4	Jan. 1, 2020 Dec. 31, 2020 cf 12 months	Jan. 1, 2019 Dec. 31, 2019 cf 12 months
Cash flow from operations during the period	-1,252	-1,111	-4,937	-3,141
Changes in working capital	-292	905	-858	677
<b>Cash flow from operations after change in working capital</b>	<b>-1,544</b>	<b>-206</b>	<b>-5,795</b>	<b>-2,464</b>
Cash flow from investing activities	-1,742	-1,696	-4,959	-6,181
Cash flow from financing activities	0	0	20,880	0
<b>Cash flow for the period</b>	<b>-3,285</b>	<b>-1,902</b>	<b>10,127</b>	<b>-8,645</b>
Cash/cash equivalents at beginning of period	15,033	3,523	1,621	10,266
<b>Cash/cash equivalents at end of period</b>	<b>11,747</b>	<b>1,621</b>	<b>11,747</b>	<b>1,621</b>

## Condensed Statement of Cash Flows - Parent Company

(SEK 000s)	Oct. 1, 2020 Dec. 31, 2020 Q4	Oct. 1, 2019 Dec. 31, 2019 Q4	Jan. 1, 2020 Dec. 31, 2020 cf 12 months	Jan. 1, 2019 Dec. 31, 2019 cf 12 months
Cash flow from operations during the period	-3,008	-1,491	-8,560	-4,321
Changes in working capital	377	1,360	-2,334	-1,253
<b>Cash flow from operations after change in working capital</b>	<b>-2,631</b>	<b>-131</b>	<b>-10,894</b>	<b>-5,575</b>
Cash flow from investing activities	-744	-1,877	-102	-3,125
Cash flow from financing activities	0	0	20,875	0
<b>Cash flow for the period</b>	<b>-3,375</b>	<b>-2,008</b>	<b>9,879</b>	<b>-8,700</b>
Cash/cash equivalents at beginning of period	14,620	3,375	1,367	10,067
<b>Cash/cash equivalents at end of period</b>	<b>11,245</b>	<b>1,367</b>	<b>11,245</b>	<b>1,367</b>

### Condensed consolidated statement of changes in equity – Jan. 1, 2020 – Dec. 31, 2020

(SEK 000s)	Share capital	Restricted reserves	Unrestricted reserves	Profit/loss for the year
<b>Amount at start of period</b>	<b>7,858</b>	<b>22,886</b>	<b>-9,823</b>	<b>-5,054</b>
Transfer of profit/loss			-5,054	5,054
Fund for development costs		330	-330	
Issue of new shares	1,572		23,576	
Issue costs			-4,268	
Profit/loss for the period				-7,468
<b>Amount at end of period</b>	<b>9,430</b>	<b>23,216</b>	<b>4,101</b>	<b>-7,468</b>

### Condensed statement of changes in equity – Parent Company Jan. 1, 2020 – Dec. 31, 2020

(SEK 000s)	Share capital	Restricted reserves	Unrestricted reserves	Profit/loss for the year
<b>Amount at start of period</b>	<b>7,858</b>	<b>22,886</b>	<b>-9,649</b>	<b>-5,050</b>
Transfer of profit/loss			-5,050	5,050
Fund for development costs		330	-330	
Issue of new shares	1,572		23,576	
Issue costs			-4,268	
Profit/loss for the period				-7,459
<b>Amount at end of period</b>	<b>9,430</b>	<b>23,216</b>	<b>-4,279</b>	<b>-7,459</b>

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